Treasury Board of Canada Secretariat
Secrétariat du Conseil du Trésor du Canada
Canada

Policy on Green Procurement.

Published: 2018-06-13

© Her Majesty the Queen in Right of Canada,
represented by the President of the Treasury Board, 2018

Published by Treasury Board of Canada, Secretariat
90 Elgin, Ottawa, Ontario, K1A 0R5, Canada

Catalogue Number: BT22-190/1-2018E-PDF
ISBN: 978-0-660-26635-0

This document is available on the Government of Canada website, Canada.ca

This document is available in alternative formats upon request.

Aussi offert en français sous le titre : Politique d'achats écologiques.

Policy on Green Procurement

1. Title

Policy on Green Procurement.

2. Effective date

This policy is effective as of April 1, 2006 and incorporates changes effective as of May 14, 2018.

3. Application

The policy applies to all departments within the meaning of section 2 of the Financial Administration Act, unless specific acts or regulations override it.

4. Context

The federal government is a significant purchaser in Canada. As such, its activities impact the national economy and can influence both the price and the availability of goods and services, including construction services, in the marketplace. Through the increased promotion of environmental sustainability, and by integrating environmental considerations in its procurement process, the federal government is in a position to influence the demand for environmentally preferable goods and services, the ability of industry to respond to the escalating use of environmental standards in global markets, and the resiliency of Canadian assets to climate change.

As part of its ongoing commitment to improve the environment and the quality of life of Canadians, this policy seeks to reduce the environmental impacts of government operations, promote environmental stewardship, and adapt to climate change by integrating environmental considerations in the procurement process.

Green procurement is set within the context of achieving value for money. It requires the integration of environmental considerations into the procurement process including planning, acquisition, use and disposal. In this context, value for money includes the consideration of many factors such as cost, performance, availability, quality and environmental performance. Green procurement also requires an understanding of the whole lifecycle of goods and services being acquired from resource extraction through to

disposal, including the total cost of ownership, the relevant risks and opportunities, the environmental and economic costs or benefits to society, and any environmental or economic non-monetized positive or negative impacts to society. In addition, the supporting administrative processes and procurement methods can also offer opportunities to reduce the environmental impacts of government operations.

This policy is issued pursuant to section 7 of the Financial Administration Act, the Department of Public Works and Government Services Act, section 4 of the Department of the Environment Act and section 5 and 6 of the Department of Natural Resources Act.

The policy also supports the federal government in targeting specific environmental outcomes where procurement can effectively be used to mitigate the impact of – or adapt to – environmental issues such as climate change and can support the protection of biodiversity, natural areas, air, soil and water. Where decisions are made to move forward on realizing specific environmental outcomes through procurement, it is expected this will:

- demonstrate environmental leadership and influence industry and citizens to use environmentally preferable and climate-resilient goods, services and processes;
- stimulate innovation and market development of, and demand for, environmentally preferred goods and services, making these available and mainstream for other sectors of society; and
- support emerging environmental technologies.

5. Definitions

Environmentally preferable goods and services are those that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose. Environmental considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support reuse and recycling; the use of renewable resources; reduced hazardous waste; reduced toxic and hazardous substances; and biodiversity.

6. Policy statement

Objective

It is the objective of this policy to advance the protection of the environment and support sustainable development by integrating environmental performance considerations into the procurement decision-making process.

Expected results

The expected results of this policy are:

- contribution to environmental objectives, such as:
    - reducing greenhouse gas emissions and air contaminants;
    - improving energy and water efficiency;
    - reducing ozone depleting substances;
    - reducing waste and supporting reuse and recycling;
    - reducing hazardous waste;
    - reducing toxic and hazardous chemicals and substances; and
    - supporting biodiversity
- lever the purchasing power of the federal government to achieve economies of scale in the acquisition of environmentally preferable goods and services, thereby reducing the cost for government and strengthening greener markets and industries;
- result in more environmentally responsible planning, acquisition, use and disposal practices in the federal government;
- support a healthier healthy working environmentworkplace for employees and for citizens in general through the purchase of environmentally preferable goods and services; and
- a federal government that is resilient to climate change.

7. Policy requirements

7.1 Deputy heads are required to ensure that the objectives of green procurement are realized while maintaining compliance with all legislative, regulatory and policy obligations.

7.2 Deputy heads are accountable to ensure their management control frameworks incorporate environmental considerations: from procurement planning, identification and definition of requirements, acquisition, operation and maintenance of assets, to disposal of goods or closure activities of services.

Specifically, Deputy heads are accountable to:

7.2.1 Integrate environmental stewardship and life-cycle principles in procurement planning and practices, including the government's supply chain;

7.2.2 Establish management processes and controls to identify environmental risks and mitigation and adaptation strategies, as appropriate;

7.2.3 Set green procurement targets tailored to reflect mandates, departmental buying patterns, as well as the nature and risks associated with the assets and services used to support the achievement of program objectives;

7.2.4 Buy environmentally preferable goods and services where value for money is demonstrated (i.e. appropriate balance of many factors, such as cost, performance, availability, quality, and environmental performance) and meet green procurement targets;

7.2.5 Ensure that officials in key management, procurement, materiel and asset management, and oversight positions, have the necessary training to support the objectives of the policy;

7.2.6 Include the contribution and support for the green procurement policy objectives in the performance evaluations of managers and functional heads of procurement and materiel, as appropriate; and

7.2.7 Monitor and report on green procurement performance through the annual Departmental Plan, the Departmental Results Report or the Departmental Sustainable Development Strategy.

7.3 Deputy heads will contribute scientific, technical and environmental expertise where possible to support the Treasury Board of Canada Secretariat in its lead role in ensuring the implementation of this policy and PWGSC in the development of procurement or materiel strategies and instruments.

8. Additional responsibilities

Treasury Board of Canada Secretariat will:

- in collaboration with Public Works and Government Services Canada, Environment Canada, Natural Resources Canada, and Shared Services Canada, develop directives and standards and recommend these for approval to the Secretary of the Treasury Board;

- in collaboration with Public Works and Government Services Canada, Environment Canada, Natural Resources Canada, and Shared Services Canada develop tools, guidance, and training necessary to support this policy consistent with best practices in the public and private sector;
- develop performance measures for planning and reporting on green procurement to be used by federal departments;
- issue guidelines for planning and reporting on green procurement performance in the annual Departmental Plan and Departmental Results Report;
- support departments in analyzing and reporting, on a government-wide basis, departmental efforts in setting and achieving green procurement targets;
- ensure the core curriculum for managers as well as procurement and materiel communities, incorporates green procurement; and
- evaluate the effectiveness of this policy periodically.

Public Works and Government Services Canada and Shared Services Canada will:

- support the Treasury Board of Canada Secretariat in implementing this policy government-wide. This will include: scientific, technical and environmental policy expertise; advice on environmental aspects and impacts, and environmental standards; setting environmental performance measures; and information on performance data and availability of environmental goods and services; and
- include environmentally preferable options (i.e. that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose) in the procurement services offered to client departments where feasible.

Environment Canada and Natural Resources Canada will:

- support the Treasury Board of Canada Secretariat in implementing this policy government-wide. This will include: scientific, technical and environmental policy expertise; advice on environmental aspects and impacts, and environmental standards; setting environmental performance measures; and information on performance data and availability of environmental goods and services.

9. References

Legislation and regulations

This Policy is to be read in conjunction with the Financial Administration Act.

Additional relevant legislation and regulations include:

- Alternative Fuels Act
- Canadian Environmental Protection Act
    - Regulations
    - Toxic Substances List
- Consumer Packaging and Labelling Act
- Energy Efficiency Act
- Federal Sustainable Development Act
- Forestry Act
- Hazardous Products Act
    - Hazardous Products Regulations
- Transportation of Dangerous Goods Act, 1992

Treasury Board policy instruments

This Policy is to be read in conjunction with the Policy Framework for the Management of Assets and Acquired Services (or its replacement) and associated policies and directives; the Policy on Financial Management; the Policy on Transfer Payments; the Policy on Internal Audit; and the Directive on Results.

This Policy is to be read in conjunction with the Treasury Board of Canada Secretariat Management Accountability Framework.

Enquiries

For interpretation of any aspect of this policy, please contact Treasury Board of Canada Secretariat Public Enquiries.

© Her Majesty the Queen in Right of Canada, represented by the President of the Treasury Board, 2018,
ISBN: 978-0-660-26635-0

Date modified: 2018-06-13